



E 535-1
UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Morrison Express Corporation
2000 Hughes Way
El Segundo, California 90245

Attention: Allen Cheng
Vice President

Dear Mr. Cheng:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that Morrison Express Corporation (Morrison) has violated Section 787.5(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996)) (the Regulations), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the Act), as set forth below.

Facts constituting violation:

On or about January 28, 1994, Morrison prepared and used a Shipper's Export Declaration and an air waybill, export control documents as defined in Section 770.2 of the Regulations, for the purpose of effecting an export from the United States to The Netherlands, representing that titanium bars qualified for such export under general license G-DEST. In fact, the export was not authorized under general license G-DEST, but required a validated license. By making false or misleading statements of material fact, directly or indirectly to a United States government agency in connection with the preparation or use of export control documents, Morrison committed one violation of Section

The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

The Regulations governing the violations at issue are found in the 1994 version of the Code of Federal Regulations. Those Regulations are codified at 15 C.F.R. Parts 768-799 (1994).

The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notice on August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), and extended again on August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1996)).



787.5(a)(1) of the Regulations in connection with the shipment.

Accordingly, Morrison is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

Denial of export privileges (see Section 764.3(a)(2), Section 788A.3(a)(1), and Section 788A.3(a)(2) of the Regulations);

Exclusion from practice (see Section 764.3(a)(3) and Section 788A.3(a)(3) of the Regulations); and/or

The maximum civil penalty allowed by law of \$10,000 per violation (see Section 764.3(a)(1) and section 788A.3(a)(4) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Morrison fails to answer the charges contained in this letter within 30 days after service as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7.

Morrison is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Morrison's answer should be filed with the Office of the Administrative Law Judge/Export Control, U.S. Department of Commerce, Room H-6839, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Morrison's answer should be served on the Department at the address set forth in Section 766.5(b), adding "ATTENTION: Lorie B. Whitaker, Esq." below the address. Ms. Whitaker may be contacted by telephone at (202) 482-5311.

Sincerely,

Mark D. Menefee
Acting Director
Office of Export Enforcement

Enclosures

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
MORRISON EXPRESS CORPORATION)
2000 Hughes Way)
El Segundo, California 90245,)
)
Respondent)

SETTLEMENT AGREEMENT

This Settlement Agreement is made by and between Morrison Express Corporation (Morrison) and the Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the Act).²

¹The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

²The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notice on August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), and extended again on August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1996)).

WHEREAS, BXA has notified Morrison of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Act by issuing a Charging Letter alleging that Morrison violated the provisions of Section 787.5(a) of the Regulations in that, on or about January 28, 1994, Morrison made false or misleading statements of material fact, directly or indirectly, to a United States government agency in connection with the preparation and use of export control documents;

WHEREAS, Morrison has reviewed the proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed if the allegations are found to be true; it fully understands the terms of this Settlement Agreement; it enters into this Settlement Agreement voluntarily, with full knowledge of its rights, and states that no promises or representations have been made to it other than the agreements and considerations expressed herein;

WHEREAS, Morrison neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Morrison wishes to settle and dispose of all the matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Morrison agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (hereinafter referred to as the appropriate Order);

NOW, THEREFORE, Morrison and BXA agree as follows:

1. BXA has jurisdiction over Morrison, under the Act and Regulations, with respect to the matters identified in the proposed Charging Letter.

2. BXA and Morrison agree that the following sanction shall be imposed against Morrison in complete settlement of all alleged violations of the Act and Regulations set forth in the proposed Charging Letter:

a. Morrison shall pay a civil penalty of \$5,000, which shall be paid in accordance with the instructions provided, within 30 days from the date of entry of the appropriate Order.

b. As authorized by Section 11(d) of the Act, the timely payment of the penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Morrison. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Morrison's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Morrison agrees that, subject to the approval of the Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including,

without limitation: (a) any right to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) any right to request a refund of the civil penalty imposed pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) any right to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Morrison in connection with any violation of the Act or the Regulations alleged in the proposed Charging Letter.

5. Morrison understands that BXA will make the proposed Charging Letter, this Settlement Agreement and the appropriate Order, when entered, available to the public.


6. BXA and Morrison agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not entered by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Morrison agree that they may not use this Settlement Agreement in any administrative or judicial proceeding, and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement


Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION MORRISON EXPRESS CORPORATION



Mark D. Menefee
Acting Director
Office of Export Enforcement



Allen Cheng
Vice President

Date: 2/21/97

Date: 2/12/97

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
MORRISON EXPRESS CORPORATION)
2000 Hughes Way)
El Segundo, California 90245,)
)
Respondent)

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Morrison Express Corporation (Morrison) of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1996)) (the Act),¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996)) (the Regulations),² based on allegations that, on or about January 28, 1994, Morrison made false or misleading

¹The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notice of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), and extended again on August 14, 1996 (61 Fed. Reg. 42527, August 15, 1996), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1996)).

²The March 25, 1996 Federal Register publication redesignated, but did not republish, the existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996.

statements of material fact, directly or indirectly, to a United States government agency in connection with the preparation and use of export control documents; and

BXA and Morrison having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby BXA and Morrison have agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;


IT IS THEREFORE ORDERED,

FIRST, that Morrison shall pay a civil penalty of \$5,000, which shall be paid to the Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Morrison. Accordingly, if Morrison should fail to pay the civil penalty in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Morrison's export privileges for a period of one year from the date of entry of this Order.

THIRD, that the proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public.

This Order is effective immediately.



John Despres
Assistant Secretary
✓ for Export Enforcement

Entered this 26TH day of FEBRUARY, 1997.

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

E 335-11
BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
February 26, 1997
BXA-97-04

CONTACTS: Eugene Cottilli
Susan Hofer
Internet: www.bxa.doc

**FREIGHT FORWARDER PAYS PENALTY TO SETTLE CHARGE
OF MAKING FALSE STATEMENT ON SHIPPING DOCUMENT**

WASHINGTON -- The Commerce Department today imposed a \$5000 civil penalty on Morrison Express Corporation (Morrison), of Chelsea, MA, for allegedly preparing a shipping document that contained false information.

Morrison agreed to pay the penalty to settle an alleged violation of the export control regulations. The Department alleged that Morrison represented on a shipping document that titanium bars could be exported under general license when in fact a validated license was required. The Bureau of Export Administration's Boston Field Office conducted the investigation.

"When freight forwarders fill out shipping documents without requesting or obtaining accurate export license information from its customers, our national security and foreign policy interests may be compromised," said Commerce Assistant Secretary for Export Enforcement John Despres.

"We hope that our strong enforcement efforts will encourage forwarders and exporters to work together to see that exports are properly licensed," he said.

Commerce's Bureau of Export Administration administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the regulations.